ODP 1966-77

4 OCT 1977

Mr. Wayne G. Granquist
Associate Director for Administrative Management
Office of Management and Budget
President's Reorganization Project
Washington, D.C. 20503

Dear Mr. Granquist:

In response to your letter dated September 20, 1977,
we have studied the draft of the work plan for the Federal
data processing reorganization study you attached.

As an Agency heavily dependent upon data processing to
accomplish our mission, we strongly support the goals of
this study, and concur in the draft as written.

Please keep me advised of your plans and any help we
can provide to the study.

Sincerely,

[/s/John F. Blake]

John F. Blake
Acting Deputy Director

STATINTL

ORIGINATOR:

Director of Data Processing

9/29/77
Date

EXECUTIVE REGISTRY FILE OMB

EB

PRESIDENT'S
REORGANIZATION
PROJECT

77-9166

WASHINGTON, D.C. 20503

SEP 2 0 1977

Mr. John E. Blake
Acting Deputy Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Blake:

Enclosed for your review and comment is a discussion
draft of the work plan for the Federal data processing
reorganization study.

We would appreciate receiving any suggestions for
changing the plan by September 30, 1977.

Sincerely,

Wayne G. Granquist
Associate Director for
Management and Regulatory Policy

Enclosure

EXECUTIVE OFFICE OF THE PRESIDENT • OFFICE OF MANAGEMENT AND BUDGET

DISCUSSION DRAFT
August 30, 1977

FEDERAL DATA PROCESSING REORGANIZATION STUDY

OVERVIEW

° In FY 1978, the Federal Government plans to spend more
  than $4 billion and employ more than 150,000 Federal and
  contractor personnel to operate over 11,000 computers.

° Over the past few years there has been growing criticism
  of the way in which the Federal Government acquires,
  manages and uses its data processing resources. Symptoms
  of the problem are numerous:

  - Public complaints about delays or inaccuracies in
    computer assisted processing of applications for Federal
    assistance, issuance of checks and other transactions
    by the Government are increasing.

  - Issues pertaining to computer and communications technology
    have become the subject of almost daily press coverage.

  - Widespread concern has developed that the manner in
    which computer technology is being used by the Federal
    agencies represents a threat to individual privacy.

  - It currently takes 3-5 years to acquire a major computer
    system.

  - Since 1965, the GAO has released nearly 200 reports deal-
    ing with problems in the acquisition and management of
    Government computers.

  - Hundreds of millions of taxpayers' dollars have been
    wasted or lost through mismanagement and misuse of
    computer resources.

  - OMB has intensified reviews of budgets for computer
    activities.

  - GSA has intensified controls over computer procurements.

  - Congress has intensified its review of Federal computer
    activities, budgets and major computer acquisitions.

° At the same time, there are many areas where the Government
  could make effective use of computers, but has failed to do
  so. For example, it may be possible to improve the delivery
  of services such as unemployment compensation, welfare,
  social security, etc., through consolidated application of
  computer technology. It may be possible to reduce the

CONFIDENTIAL | SECRET

EXECUTIVE SECRETARIAT
Routing Slip

TO:			ACTION	INFO	DATE	INITIAL
	1	DCI			✓ *cover letter only*	
	2	DDCI				
	3	D/DCI/IC				
	4	DDS&T				
	5	DDI	✓			
	6	DDA	✓			
	7	DDO				
	8	D/DCI/NI				
	9	GC				
	10	LC				
	11	IG				
	12	Compt				
	13	D/Pers				
	14	D/S				
	15	DTR				
	16	A/DCI/PA				
	17	AO/DCI				
	18	C/IPS				
	19	DCI/SS				
	20					
	21					
	22					

SUSPENSE _28 Sep_
Date

STATINTL

Remarks: *As develop A DDCI response*

Executive Secretary
_21340_
Date

3637 (5-77)

OMB